



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

MW

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|-------------|----------------------|---------------------|------------------|
| 09/466,438 | 12/17/1999 | VIKTORS BERSTIS | AT9-99-725 | 1165 |
| 7590 | 03/09/2004 | | EXAMINER | |
| ANDREW J. DILLION INTELLECTUAL PROPERTY LAW P.O. BOX 969 AUSTIN, TX 78767-0969 | | | KRAMER, JAMES A | |
| | | | ART UNIT | PAPER NUMBER |
| | | | 3627 | |

DATE MAILED: 03/09/2004

Please find below and/or attached an Office communication concerning this application or proceeding.



UNITED STATES PATENT AND TRADEMARK OFFICE

COMMISSIONER FOR PATENTS
UNITED STATES PATENT AND TRADEMARK OFFICE
P.O. Box 1450
ALEXANDRIA, VA 22313-1450
www.uspto.gov

MAILED

MAR 08 2004

GROUP 3600

**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Paper No. 13

Application Number: 09/466,438

Filing Date: December 17, 1999

Appellant(s): BERSTIS, VIKTORS

Michael E. Noe, Jr.
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed December 15, 2003.

(1) *Real Party in Interest*

A statement identifying the real party in interest is contained in the brief.

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

(4) *Status of Amendments After Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) *Summary of Invention*

The summary of invention contained in the brief is correct.

(6) *Issues*

The appellant's statement of the issues in the brief is correct.

(7) *Grouping of Claims*

The rejection of claims 1-6, 8-10, 13-23 and 25 stand or fall together because appellant's brief does not include a statement that this grouping of claims does not stand or fall together and reasons in support thereof. See 37 CFR 1.192(c)(7).

(8) *ClaimsAppealed*

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

| | | |
|-----------|-----------------|--------|
| 6,108,642 | Findley | 8-2000 |
| 5,774,525 | Kanevsky et al. | 6-1998 |
| 5,311,594 | Penzias | 5-1994 |

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-4, 6, 8-9, 13-17, 18-21, 23 & 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Findley in view of Kanevsky et al.

Findley teaches a system for selectively blocking a current remote purchase request based on information gained from at least a previous remote purchase request. In particular, the device of Findley includes: (1) a first data input subsystem capable of receiving purchase request information sets including a credit card number, merchandise descriptions and origin (prompting user with options for selecting goods and/or services during a current transaction); (2) a memory subsystem that receives the information set from previous and current purchase requests (storing selections of goods and/or services made by an authorized user during a previous transaction); (3) a logic subsystem that compares the purchase request record of the current purchase request with the purchase request record of the previous purchase request (comparing the options for

goods and/or services selected by the user with the user's pre-stored selections of goods and/or services); and that automatically blocks the current remote purchase if the comparison meets any one of a predetermined set of criteria (reference Abstract).

Examiner notes that in order for memory sub-system of Findley to receive an information set containing previous remote purchase information, the sub-system must store the selections made by a user of goods and/or services. As such, Examiner asserts that generating a user profile of selections of goods and/or services made by a user during past transactions is inherent and necessarily present to the system of Findley, because without such a profile the system would be unable to retrieve that information.

Findley teaches computing "history factors" for credit card numbers so that an algorithm can take into account the legitimate purchase history of the credit card. Findley goes on to teach in a preferred embodiment, that a purchase request from a credit card number that has been used to make legitimate purchases from a merchant in the past is less likely to be fraudulent than a card being encountered for the first time (column 3; lines 50-57). In other words, if the current merchant is inconsistent with the user's pre-stored profile of past merchants the system blocks the transaction.

Examiner notes that this teaching is important for two reasons. First it illustrates that historical data can be and is taken from a plurality of facilities/merchants (Claims 3 and 20). Secondly, it illustrates that the system and method of Findley is designed to encourage and protect repetitive and consistent purchases. Examiner notes that while Findley teaches many criteria for detecting fraud, this example illustrates that Findley recognizes, teaches and uses inconsistency (same as Appellant) as one of those ways. In addition, Examiner notes that

because Findley also teaches other criteria for detecting fraud that differ from Appellant's invention, that does not mean Findley doesn't also teach Appellant's method. Finally, Examiner asserts that teaching a method of detecting fraud by looking for consistency (i.e. someone buying 100 stereo receivers) does not inherently exclude the same system from also checking for inconsistency (i.e. a new supplier, a different brand or grade of gas, etc.).

Findley goes on to teach in another embodiment that an inquiry is made into whether or not an item in the same merchant-defined merchandise category had been purchased within the previous set time period (column 4; lines 49-53). Examiner notes that this teaching by Findley is also important for two reasons. First, it illustrates that while the system of Findley starts by grouping items according to merchandise category, it also must make a comparison on an item-by-item level. This concept is supported by Findley in the example of a ring of thieves attempting to steal handbags of a particular make (emphasis added) (column 4; lines 49-61). In order to determine the particular make, the system must make the comparison on an item-by-item basis and not just based on the merchandise category (i.e. handbag or accessory).

Secondly this teaching illustrates that the system of Findley must collect and save item specific information about a user's purchase. Examiner notes that without item specific information the system of Findley would be unable to perform the inquiry described above. As such, collecting and storing a profile of selections of goods and services is inherent and necessarily present to the teachings of Findley as there would be no other way to determine a particular make (this is similar to a particular grade of gas).

Examiner recognizes that specific embodiment of the item-by-item comparison of Findley relates to quantity. In particular, the system compares how many of a specific item have

been purchased in the past, thus blocking the purchase based on too much consistency, rather than any inconsistency. However, Examiner once again points out that Findley also teaches an embodiment in which the system searches for inconsistencies associated with merchants (i.e. comparing the current merchant with a pre-stored profile of past merchants and blocking the transaction if the current merchant is inconsistent with the pre-stored profile).

Therefore, Examiner notes that neither embodiment limits the scope of the system of Findley but rather serve as examples of the type of conditions within the predetermined criteria used by the logic subsystem of Findley. As such, Examiner takes Official Notice that a plurality of conditions are old and well known as criteria for making determinations of fraud. These include but are not limited to the two embodiments of Findley (i.e. current merchant versus past merchant, and quantity of items purchased) as well as a comparison between a current item purchased versus past items purchased.

Examiner asserts that it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the predetermined set of criteria within the logic subsystem of Findley to include a condition that the current selection of goods and/or services is consistent with the pre-stored profile of goods and/or services in order to provide the users with an additional layer of security.

The system of Findley, as described above does not teach a system that requires a user to answer, correctly, multiple questions before allowing access. Kanevsky et al. teaches a system of questioning a user to provide secure access control. In particular, Kanevsky et al. teaches asking multiple questions before allowing access to a user (column 3; lines 26-30). It would have been obvious to anyone skilled in the art at the time of the invention to modify the logic

subsystem of Findley to include a verification system to ask a user questions, as taught by Kanevsky before blocking a transaction, in order to verify that the person making the transaction is in fact not the owner of the credit card.

Claims 5, 10 and 22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Findley in view of Kanevsky et al. in further view of Penzias. The system of Findley in view of Kanevsky et al., as described above does not teach a system that stores selections made with a plurality of credit or debit cards. Penzias teaches a system of providing an individual protection for remote purchases; in particular the system applies to multiple cards with different account numbers (Figure 5, shows the account table which holds information for a plurality of credit cards). Since most people today have more than one credit card, when a wallet is stolen or misplaced a thief has access to all of a victim's credit and debit cards.

It would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the memory subsystem of Findley to receive information sets on previous and current purchases made by a user from a plurality of credit cards, as taught by Penzias in order to provide protection and security for all of a customer's credit and debit cards.

(11) Response to Argument

Appellant asserts that Findley is designed to "limit its exposure to repetitive theft from the same merchandise category" and as such is in direct contract to Appellant's invention designed to encourage and protect repetitive purchases of the same merchandise. Examiner disagrees and once again points to Findley embodiment of a purchase request from a credit card number that has made legitimate purchases from a merchant in the past and is therefore less likely to be fraudulent than a card being encountered for the first time (column 3; lines 50-57).

In other words, if the current merchant is *inconsistent* with the user's pre-stored profile of past merchants the system blocks the transaction.

Examiner once again notes that this teaching is important as it illustrates that the system and method of Findley is designed to encourage and protect repetitive and consistent purchases. Examiner notes that while Findley teaches many criteria for detecting fraud, this example illustrates that Findley recognizes, teaches and uses inconsistency (same as Appellant) as one of these ways. In addition, Examiner notes that because Findley teaches other criteria for detecting fraud that differ from Appellant's invention, that does not mean Findley fails to also teach Appellant's method. Examiner further asserts that teaching a method of detecting fraud by looking for consistency (i.e. someone buying 100 stereo receivers) does not inherently exclude the same system from also checking for inconsistency (i.e. a new supplier, a different brand or grade of gas, etc.). Finally, Appellant's example in which Findley teaches a different set of criteria for detecting fraud does not mean that Findley fails to teach Appellant's criteria elsewhere in the patent (i.e. column 3; lines 50-57).

Appellant asserts that Appellant's invention is designed to work with direct, user-interface terminal where the user is actually standing at the provider's terminal and is purchasing a relatively limited supply of goods and/or services for receipt thereof at the terminal. Examiner argues, that what Appellant's invention is designed to do, is not relevant. Examiner has focused prosecution on what Appellant has claimed. Appellant fails to mention in any of the claims, a user-interface terminal where user standing at the provider's terminal purchasing from a relatively limited supply of goods and/or services for receipt. In fact what Appellant claims is a method of automatically authorizing a remote point of purchase action at a facility which permits

such actions. Examiner points out that a user's home computer with Internet access qualifies as facility that permits remote point of purchase action.

Appellant asserts that it is practically inconceivable that Findley would be applied to a direct-user interface terminal, as it is antithetical to suggest that Findley be applied to an application wherein highly consistent purchasing behavior is the norm. Examiner takes issue with this for a number of reasons. First, Appellant does not claim a direct-user interface terminal, and therefore this argument is irrelevant to this discussion. Secondly, Appellant is once again relying on the belief that Findley does not teach a system that detects fraud by searching for inconsistent buying patterns. Examiner once again points to Findley column 3; lines 50-57 and the arguments present above.

Appellant asserts that a fundamental difference between Findley and Appellant's invention is that Findley does not analyze the actual goods and/or services being selected by the user. Examiner addresses this point in the Final Office Action (paper 11 of this application) as well as in the Grounds of Rejection section of this Examiner's Answer.

Examiner asserts that while Findley does not specifically teach an item by item analysis, Findley does teach that such an analysis is known in the art (column 4; lines 49-61). In this section Findley describes a ring of thieves attempting to steal a particular popular make of handbag. In order for a merchant to limit its exposure to this kind of theft an analysis must be done on an item by item basis. Findley also teaches in column 3; lines 5-057 that inconsistent buying patterns are a known criteria for detecting fraud. Examiner therefore asserts that it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the predetermined set of criteria within the logic subsystem of Findley to include a

condition to verify that the current selection of goods and/or services is consistent with the pre-stored profile of goods/and or services in order to provide the users with an additional layer of security. Examiner notes that this modification is merely an obvious modification of two known embodiments of Findley.

Appellant asserts that Findley makes no provision for analyzing a range of goods or services selected during a current purchase with those made during previous purchases. Examiner disagrees and points to the formula described on column 4; lines 1-25. In detailing the criteria for this formula, Findley is clearly setting up a system in which a range of consistency is being established. In addition, Findley states that the history factors are used to determine the amount of purchase allowed over a particular time (column 4; lines 26-28). In other words as long as the purchase is under a certain limit (or within a range of consistency) then the purchase is allowed.

Appellant fails to provide any argument specifying the errors in Examiner's rejection of claims 9 and 19. A general argument that all the limitations are not described in a single reference does not satisfy the requirements of 37 CFR 1.192.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

James A. Kramer
Examiner
Art Unit 3627

James Kramer
March 4, 2004

Conferees
Richard Chilcot
James Trammell

ANDREW J DILLON
FELSMAN BRADLEY VADEN GUNTER & DILLON
SUITE 350 LAKEWOOD ON THE PARK
7600B NORTH CAPITAL OF TEXAS HIGHWAY
AUSTIN, TX 78731

Richard Chilcot
Examiner, Patent Examiner
Technology Center 2650
3C